

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF INSURANCE AND SECURITIES REGULATION**

In re:

Application of Central Benefits
Mutual Insurance Company
For Approval to Redomesticate
From the State of Ohio
to the District of Columbia

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REDOMESTICATION ORDER

Order No.: RD 99-01

ORDER

This matter having come before the Commissioner of Insurance of the District of Columbia (the "Commissioner") pursuant to Section 35-4203 of the District of Columbia Code ("Code") and all powers express or implied therein, and upon the application of Central Benefits Mutual Insurance Company for approval to redomesticate by transferring its domicile from the State of Ohio to the District of Columbia, and in consideration of the documents, presentations and reports received, as well as other inquiries and studies as permitted by law, the Commissioner hereby makes the following findings of fact, conclusions of law, and order (collectively, the "Order"):

FINDINGS OF FACT

1. Central Benefits Mutual Insurance Company ("Central Benefits") is a foreign mutual life insurance company organized under the laws of the State of Ohio, with its principal place of business in Columbus, Ohio.
2. Central Benefits is authorized to transact the business of insurance in the District of Columbia (the "District") as a foreign insurer.
3. Central Benefits desires to redomesticate to the District and acquire a certificate of authority to transact the business of insurance in the District as a domestic legal reserve life insurer.
4. On December 16, 1998, the Department of Insurance and Securities Regulation of the Government of the District of Columbia (the "Department") received an Application for Redomestication (which, together with all material received subsequently, is collectively referenced as the "Application") for approval of the redomestication of Central Benefits from the State of Ohio to the District.
5. The Application was filed pursuant to and in accordance with Section 35-4302 of the Code.

6. Central Benefits represents in the Application that it will transact the business of insurance in the District in accordance with applicable laws, including, without limitation, Title 35 of the Code governing the business of insurance, as such laws may be amended from time to time.
7. On October 23, 1998, the Ohio Department of Insurance (the "Ohio Department"), following a public hearing, issued a Consent Order ("Consent Order") in which the Ohio Department agreed that the transfer of Central Benefits' domicile to the District will be in the best interest of Central Benefits' Ohio policyholders, subject to certain conditions stated therein.
8. As specified in the Consent Order, Central Benefits desires, pursuant to its long term strategic plan, to diversify its lines of business and geographic presence and grow its business.
9. As specified in the Consent Order, Central Benefits has concluded that the best method to achieve its strategic plan is by converting to a stock company through a so-called "subscription rights method of demutualization," and because Ohio law makes no provision for that method of demutualization, Central Benefits desires to redomesticate to the District in order to conduct a subscription rights demutualization pursuant to Sections 35-4201 through 35-4215 of the Code.
10. At special meetings of the policyholders of Central Benefits held on December 22, 1997 and August 26, 1998, policyholders approved changing Central Benefits' domicile to the District for the purpose of conducting a subscription rights demutualization.
11. Pursuant to the authority delegated to the Commissioner by the Mayor of the District of Columbia, the Commissioner, by correspondence dated March 3, 1998, granted approval of Central Benefits' request that upon approval of its redomestication to the District, Central Benefits be permitted to maintain its principal office in the State of Ohio, subject to certain conditions stated therein.
12. By correspondence dated November 17, 1998, Central Benefits formally accepted the terms of the Commissioner's March 3, 1998 approval of Central Benefits' request to maintain its principle office in the State of Ohio.
13. The Commissioner has not determined that the proposed transfer of Central Benefits to the District is not in the best interest of the policyholders of the District.

CONCLUSIONS OF LAW

1. Title 35, Chapter 43, Sections 35-4301 *et seq.* of the Code provide the Commissioner with jurisdiction to review and approve the redomestication of Central Benefits from the State of Ohio to the District.
2. A redomestication by a foreign insurer is provided for in Section 35-4302 of the Code.
3. The Commissioner has been delegated all authority of the Mayor in matters relating to the transaction of the business of insurance under Title 35 of the Code.
4. There exist no facts or circumstances that provide any legal authority for the Commissioner to disapprove Central Benefits' Application to redomesticate to the District.

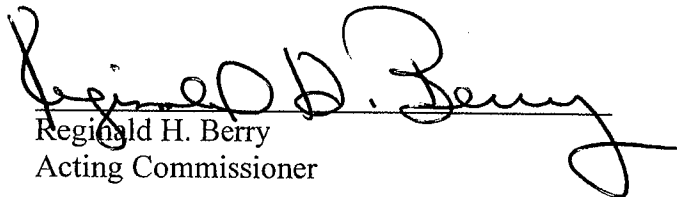
ORDER

The Application for approval to redomesticate to the District of Columbia, and the issuance of a Certificate of Authority to Central Benefits Mutual Insurance Company as a domestic mutual life insurance company set forth in the Application is hereby granted, subject to this Order and the following conditions:

1. In accordance with Section 35-4302 of the Code, Central Benefits shall comply with all requirements of the law relative to the organization and licensing of a domestic insurer, including filing Articles of Incorporation and Redomestication with the Commissioner in accordance with Section 35-602 of the Code.
2. Central Benefits shall maintain a custodial deposit of securities in the amount of \$150,000 in a bank located in the District, in accordance with Sections 35-415(a) and 35-416(a) of the Code.
3. Central Benefits shall be permitted to maintain its principal office in the State of Ohio; provided, that Central Benefits shall maintain an office in the District of Columbia, designate its name on the door of such location, maintain a telephone listing at such location, and maintain appropriate staff to maintain home office operations at such location.
4. Central Benefits shall arrange for and purchase transportation to and from Columbus, Ohio for the Commissioner, his employees or designees who may examine the original records of Central Benefits from time to time in accordance with applicable law.

5. Central Benefits shall notify the Commissioner in writing of any plans to close or move its home office out to the District and shall obtain prior written approval from the Commissioner before implementing any such plan.
6. Central Benefits shall comply with all applicable laws and regulations governing the transaction of the business of insurance in the District.

Date: 1-13-99


Reginald H. Berry
Acting Commissioner